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State of Utah

DEPARTMENT OF NATURAL RESOURCES Division of Oil, Gas & Mining

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Executive Director

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Division Director

Supervisor QRH

Inspection Report Minerals Regulatory Program

Report Date: November 29, 2004

Mine Name: Goldstrike
Operator or Permittee Name:
USMX
Permittee Mailing Address:
None

Permit number: M/053/005
Inspection Date: November 16, 2004

Inspector(s): Doug Jensen

Weather: Clear, Cool
Inspection Start Time: 11:00 AM
Inspection End Time: 2:00 PM
Site location/Area Inspected (i.e. Pit #):
Entire Site

Other Participants: Dan Slyter

Permit Status: Forclosed
Current Acreages: 387
Total Permitted (Bonded):
Total Disturbed: Reclaimed

Surface Ownership: BLM, Fee
Mineral Ownership: BLM, Fee
Mineral Mined: Gold, Silver
Type of Mine: Open Pits

Elements of Inspection	Evaluated	N/A	Comment	Enforcement
1. Permits, Revisions, Transfer, Bonds	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Public Safety (open shafts, adits, trash, signs, highwalls)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Protection of Drainages	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Explosives, magazines	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Deleterious Material	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Roads (maintenance, surfacing, dust control, safety)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Concurrent Reclamation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Erosion Control	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Demolition	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Backfilling and Grading (trenches, pits, roads, highwalls, shafts, drill holes)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Water Impoundments	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Soils	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Air Quality	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Inspection Date: November 16, 2004; Report Date: November 29, 2004
Page 2 of 2
M/053/005

Purpose of Inspection:

Check site for long-term stability and revegetation success.

Inspection Summary:

Dan Slyter, state contractor, had discovered that a recent storm in the area had blocked the culverts under the mine access road at Arsenic Canyon. There is both an 84" and 48" culvert that have been placed in this area. They were both blocked due to debris from a fire last summer that burned off the vegetation above the mine. A heavy downpour on this burned area resulted in a large amount of material being washed down the canyon which blocked both culverts. Dan was concerned that another downpour could result in the loss of the mine access road if the blockage was not cleared.

When we arrived on site we found that another storm had hit since Dan's inspection and the 84" culvert had cleared itself. Much of the material, which had backed up above the road, had washed through the culvert and the drainage now looked pretty good. Some effort will still be required to clear the 48" culvert but with the clearing of the larger culvert, the potential loss of the road in this area is no longer a concern. Dan will clear the debris from the smaller culvert as time allows. Photos of this area were taken and are included in this memo.

The vegetation at the site looked good, the recent rains have greened up much of the area in spite of the time of the year. The rest of the site appeared to remain stable with no gulleying or rilling due to the rains.

Much of this site is built on fill material and recent rains seem to have reactivated settling within some areas. In several areas, portions of buried pipelines have started appearing on the surface. None of the pipelines that have appeared to date are a part of the water delivery system being used to supply the land application area sprays. As these lines are not integral to any system presently being used at the site, they can be covered the next time Dan has equipment at the site.

We did observe three cows on the site while we were there; cattle onsite have been a problem since the mine began reclamation. The BLM stated that with last summer's fire much of the fencing on the east side of the site was knocked down. Therefore until the fence is fixed, cattle on the site will continue to be a problem.

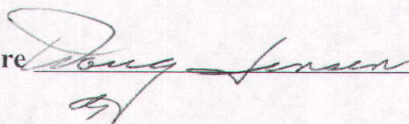
Directions to the site:

The site is located approximately 30 miles northwest of St. George.

GPS data:

None collected

Inspector's Signature



Date: November 29, 2004

dj:jb

Attachment: photos

cc: Rody Cox, BLM, St George FO

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